

**TOWN OF CLIFTON, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**YEAR ENDED JUNE 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEAR ENDED JUNE 30, 2022**

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## INDEPENDENT ACCOUNTANTS' REPORT

Auditor General of the State of Arizona and  
Honorable Mayor and the Town Council  
Town of Clifton, Arizona

We have examined the accompanying Annual Expenditure Limitation Report (AELR) of the Town of Clifton, Arizona (Town), for the fiscal year ended June 30, 2022, and the related notes to the report. The Town's management is responsible for the preparation and fair presentation of the AELR, including disclosures, in accordance with (or based on) the State of Arizona's *Uniform Expenditure Reporting System* (UERS) for the fiscal year ended June 30, 2022. Our responsibility is to obtain reasonable assurance by measuring (or evaluating) the AELR of the Town for the fiscal year ended June 30, 2022 against the State of Arizona's UERS to determine the AELR is reported in accordance with the State of Arizona's *Uniform Expenditure Reporting System* in all material respects and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our measurement (or evaluation) based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants. Those standards require that we obtain reasonable assurance by measuring (or evaluating) the AELR of the Town for the fiscal year ended June 30, 2022 against the State of Arizona's UERS and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our measurement or evaluation of the AELR of the Town for the fiscal year ended June 30, 2022. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the AELR of the Town for the fiscal year ended June 30, 2022, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Town of Clifton, Arizona and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the AELR of the Town of Clifton, Arizona for the fiscal year ended June 30, 2022, is fairly presented in accordance with (or based on) the State of Arizona's *Uniform Expenditure Reporting System*, in all material respects.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
October 20, 2022

**TOWN OF CLIFTON, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART I  
YEAR ENDED JUNE 30, 2022**

|   |                            |
|---|----------------------------|
| 1. Voter approved alternative expenditure limitation                                | \$ 9,780,289               |
| 2. Amount subject to the expenditure limitation (total amount from Part II, Line C) | <u>3,565,141</u>           |
| 3. Amount under (in excess of) the expenditure limitation                           | <u><u>\$ 6,215,148</u></u> |



Name and Title: Rudy H. Perez, Jr., Town Manager

Telephone Number: (928) 865-3017

Date: October 20, 2022

**TOWN OF CLIFTON, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART II  
YEAR ENDED JUNE 30, 2022**

| <u>Description</u>                                | <u>Governmental<br/>Funds</u> | <u>Enterprise<br/>Funds</u> | <u>Internal<br/>Service<br/>Funds</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>        |
|---|-------------------------------|-----------------------------|---------------------------------------|----------------------------|---------------------|
| A. Amounts reported on the Reconciliation, Line D | \$ 3,082,108                  | \$ 481,833                  | \$ -                                  | \$ 1,200                   | \$ 3,565,141        |
| B. Less exclusions claimed: None                  | -                             | -                           | -                                     | -                          | -                   |
| C. Amounts subject to the expenditure limitation  | <u>\$ 3,082,108</u>           | <u>\$ 481,833</u>           | <u>\$ -</u>                           | <u>\$ 1,200</u>            | <u>\$ 3,565,141</u> |

See accompanying Note to Annual Expenditure Limitation Report.

**TOWN OF CLIFTON, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION  
YEAR ENDED JUNE 30, 2022**

| <u>Description</u>   | <u>Governmenta<br/>Funds</u> | <u>Enterprise<br/>Funds</u> | <u>Internal<br/>Service<br/>Funds</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>        |
|--|------------------------------|-----------------------------|---------------------------------------|----------------------------|---------------------|
| A. <u>Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements</u> | \$ 3,082,108                 | \$ 238,996                  | \$ -                                  | \$ 1,200                   | \$ 3,322,304        |
| B. Subtractions  |                              |                             |                                       |                            |                     |
| 1. Items not requiring use of current resources  |                              |                             |                                       |                            |                     |
| Depreciation   | -                            | 54,680                      | -                                     | -                          | 54,680              |
| Pension expense  | -                            | (26,358)                    | -                                     | -                          | (26,358)            |
| 2. Total subtractions  | <u>-</u>                     | <u>28,322</u>               | <u>-</u>                              | <u>-</u>                   | <u>28,322</u>       |
| C. Additions:  |                              |                             |                                       |                            |                     |
| 1. Acquisition of capital assets   | -                            | 266,322                     | -                                     | -                          | 266,322             |
| 2. Pension contributions paid in the current year  | -                            | 4,837                       | -                                     | -                          | 4,837               |
| 3. Total additions   | <u>-</u>                     | <u>271,159</u>              | <u>-</u>                              | <u>-</u>                   | <u>271,159</u>      |
| D. Amounts reported on Part II, Line A   | <u>\$ 3,082,108</u>          | <u>\$ 481,833</u>           | <u>\$ -</u>                           | <u>\$ 1,200</u>            | <u>\$ 3,565,141</u> |

See accompanying Note to Annual Expenditure Limitation Report.

**TOWN OF CLIFTON, ARIZONA  
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2022**

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation, as authorized by the Arizona Constitution, Article IX, §20(9).



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